



**Environmental Services Division**

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## **ECONOMIC NEWS KEEPS ENERGY PRICES LOW**

DES MOINES— Amid glum economic news, fuel prices should give Iowa consumers something to be happy about. “Current energy prices are fully driven by the economic environment,” said Tommi Makila, Iowa Department of Natural Resources (DNR) Energy Policy Analyst. “However, traders are betting on prices to go up later in the year.”

### **Motor Fuels**

The January 15<sup>th</sup> average price of 10 percent ethanol blended mid-grade gasoline in Iowa was \$1.78 per gallon, which is 40 percent lower than the January 2008 price of \$2.97 per gallon of the same blend. The January 15<sup>th</sup> average price for diesel in Iowa was \$2.33 per gallon, which is 31 percent lower than the January 2008 price of \$3.37. For Iowa metro area averages, visit:

[http://www.energy.iowa.gov/Newsroom/fuel\\_price.html](http://www.energy.iowa.gov/Newsroom/fuel_price.html)

Self-Serve	1/15/09	12/16/08	Difference
<b>Regular Unleaded with 10% Ethanol</b>	<b>\$1.78</b>	<b>\$1.60</b>	<b>+\$0.18</b>
<b>Regular Unleaded</b>	<b>\$1.83</b>	<b>\$1.65</b>	<b>+\$0.18</b>
<b>Premium Unleaded</b>	<b>\$1.92</b>	<b>\$1.75</b>	<b>+\$0.17</b>
<b>Diesel</b>	<b>\$2.33</b>	<b>\$2.44</b>	<b>-\$0.11</b>
Source: Oil Price Information Service, <a href="http://www.opisnet.com">www.opisnet.com</a>			

### **Crude Oil**

On January 15<sup>th</sup>, a barrel of West Texas Cushing Sweet Crude Oil settled at \$35.40. The price is a 19 percent decrease over December's price of \$43.60 and 61 percent lower than the January 2008 price of \$89.95.

### **Heating Fuels**

On January 12th, natural gas was trading at \$5.60/MMBtu, which is \$2.54 lower than one year ago, a 31 percent decrease. The U.S. Department of Energy, Energy Information Administration reports that working natural gas in storage as of January 9, 2009 was 2,736 billion cubic feet (Bcf), 81 Bcf above the 5-year average (2004-2008), and 28 Bcf higher than the level during the corresponding week last year.

A survey completed by the DNR on January 12, 2009, indicated that the average retail price of propane in Iowa was \$1.75, which is \$0.22 lower than the price of propane at this time last year. The same survey found that heating oil is selling in Iowa for an average of \$1.93 per gallon across the state, which is \$1.08 lower than the price in January of last year, a 36 percent decrease.

According to the U.S. census estimate, 67 percent of Iowa households use natural gas to heat their homes. 15 percent use electricity, 14 percent propane, 1.5 percent wood, and 1.4 percent fuel oil.

<b>Heating Fuel Type</b>	<b>1/12/09</b>	<b>12/15/08</b>	<b>Difference</b>
<b>Natural Gas*</b>	<b>5.60/MMbtu</b>	<b>5.76/MMbtu</b>	<b>-\$0.16/MMbtu</b>
<b>Propane**</b>	<b>\$1.75</b>	<b>\$1.78</b>	<b>-\$0.03</b>
<b>#2 Heating Oil**</b>	<b>\$1.93</b>	<b>\$1.97</b>	<b>-\$0.04</b>
*Source: Wall Street Journal, **Source: IDNR			